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FISCAL IMPACT STATEMENT

LS 7266

BILL NUMBER: HB 1548

NOTE PREPARED: Jan 13, 2013

BILL AMENDED:

SUBJECT: Kindergarten Readiness.

FIRST AUTHOR: Rep. Turner

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill provides a Kindergarten Readiness Reimbursement Grant to a parent of a child who:

1. Is at least four years of age and not more than five years of age;
2. Is a resident of Indiana or otherwise has legal settlement in Indiana;
3. Is a member of a household with an annual income of not more than the family income at or below amount required for the child to qualify for the federal free and reduced lunch program;
4. Does not attend a preschool program that is funded under the federal Head Start Program or any other federal or state funded preschool program; and
5. Successfully completes an assessment that indicates the child's readiness to attend kindergarten.

The bill provides that the Department of Education shall develop the assessment and administer the grant program. It makes a continuing appropriation.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *Summary:* The bill establishes a program to provide preschool education grants to eligible 4-year old children. The maximum cost of the grant program is estimated to be maximum of \$27.8 M per year, which would consist of \$26.4 M in preschool grants and \$1.4 M in administrative costs. Actual cost will depend on participation rates of eligible children. This bill annually appropriates the amount necessary to fund the grants.

The bill provides a \$1,000 grant to the parent of a 4-year old child who: (1) passes the kindergarten readiness

assessment to attend kindergarten; (2) does not attend a state or federally funded preschool program; and (3) has a family income at or below the amount required for the child to qualify for the federal free and reduced price school lunch program. It is estimated that 26,439 4-year old children could potentially qualify for the grant program. If all these children receive a \$1,000 grant, the total cost of grants would be approximately \$26.4 M annually.

FSSA reports the administrative costs for the federal Child Care Development Fund (CCDF) program, by federal law, cannot exceed 5% of the total program budget for the program. Grossing up the maximum annual cost of the preschool grants, the administrative cost for the program could total \$1.4 M.

The Department of Education would be required to develop a kindergarten readiness assessment. The impact would depend on the cost to develop the assessment. The cost could be reduced if an assessment another state has developed could be used. The state of Ohio for example has a kindergarten readiness assessment that is required of all kindergarten students.

Additional Information:

Number of Eligible Children: It is estimated that approximately 26,439 4-year old children could be eligible to participate in the grant program. A participating child's family income may not exceed the amount required for the child to qualify for the federal free and reduced price school lunch program. According to the Kids Count Data Center, an estimated 81,150 3-year old and 4-year old children in the state are eligible for the federal free and reduced price school lunch program. It is assumed that one-half of this group is 4-year old children or about 40,576 children.

The groups of 3-year old and 4-year old children who currently participate in federally funded preschool programs are listed below. Assuming one-half of each group is 4-year old children, it is estimated that 14,137 from the overall eligible group of 4-year old children would not participate in the grant program.

- (1) 9,515 children receive CCDF vouchers.
- (2) 3,228 children are served by Title I preschools.
- (3) 15,530 children are served by Head Start programs.

Explanation of State Revenues:

Explanation of Local Expenditures: Schools would incur some additional cost in administering the kindergarten assessment. The potential cost is indeterminable.

Explanation of Local Revenues:

State Agencies Affected: Department of Education.

Local Agencies Affected: Public and Non-public schools.

Information Sources: Melanie Brizzi, DFR; Christina Hage, FSSA; Kids Count Data Center.

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